

STATE OF DELAWARE  
**THE PUBLIC SERVICE COMMISSION**  
CANNON BUILDING  
861 SILVER LAKE BLVD., SUITE 100  
DOVER, DELAWARE 19904

TELEPHONE: (302) 736-7529  
TELECOPIER: (302) 739-4849

**FILING COVER SHEET**

1. NAME OF APPLICANT: Delmarva Power & Light Company
2. TYPE OF FILING: RATE CHANGE ☒  
FUEL ADJUSTMENT ☐  
ADMINISTRATIVE ☐  
CPCN ☐  
NEW SERVICE OFFERING ☐  
OTHER - DESCRIBE Annual Filing
- IF A TELECOMMUNICATIONS FILING, WHAT TYPE OF SERVICE IS IMPACTED?  
BASIC \_\_\_\_\_ COMPETITIVE \_\_\_\_\_ DISCRETIONARY \_\_\_\_\_
3. PROPOSED EFFECTIVE DATE: November 1, 2015  
IS EXPEDITED TREATMENT REQUESTED? YES ☐ NO ☐
4. SHORT SUMMARY OF FILING: Annual Environmental Surcharge Filing
5. DOES THIS FILING RELATE TO OTHER DOCKETS: YES ☒ NO ☐  
IF YES, LIST DOCKET(S) NO(S): 04-53
6. IS PUBLIC NOTICE REQUIRED? YES ☐ NO ☐  
IF YES, PLEASE ATTACH COPY OF PROPOSED PUBLIC NOTICE.
7. APPLICANT'S CONTACT PERSON: NAME: Pamela J. Scott  
TITLE: Assistant General Counsel  
PHONE: 302-429-3143  
FAX: 302-429-3801  
EMAIL pjscott@pepcoholdings.com  
WEBSITE (IF APPLICABLE) \_\_\_\_\_
8. DID YOU PROVIDE A COMPLETE COPY OF THE FILING TO THE PUBLIC ADVOCATE?  
YES ☒ NO ☐ IF YES, WHEN? 08/26/15
9. FILING FEE ENCLOSED: AMOUNT: \$ 100.00

**NOTE:** House Bill 681, enacted into law 7/13/98, authorizes the Commission to recover the cost of time spent by in-house staff to process all filings initiated after the date of enactment. You may be required to reimburse the Commission for staff time.



A PHI Company

**Pamela J. Scott**  
Assistant General Counsel

92DC42  
500 N. Wakefield Drive  
Newark, DE 19702

P.O. Box 6066  
Newark, DE 19714-6066

302.429.3143 – Telephone  
302.429.3801 – Facsimile  
pjscott@pepcoholdings.com

August 26, 2014

**FILED VIA DELAFILE**

Donna Nickerson, Secretary  
Delaware Public Service Commission  
Cannon Building, Suite 100  
861 Silver Lake Boulevard  
Dover, DE 19904

Re: Application for Approval of the 2015-16 Environmental Surcharge Rate

Dear Secretary Nickerson:

Enclosed for filing is Delmarva Power & Light Company's ("Delmarva") Application for Approval of the 2015-16 Environmental Surcharge Rate. Included with the Application is the filing fee of \$100.00.

Should you have any questions or require any additional information, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Pamela J. Scott", written over a blue ink stamp of the same name.

Pamela J. Scott

Enclosures

## Briefing Sheet

**Annual Application for the Gas Environmental Surcharge Rider**  
**PSC Docket No. 15-\_\_\_\_**  
**Briefing Sheet**

**SUBJECT:** Delmarva Power & Light Company's Annual Application for the Gas Environmental Surcharge Rider filed August 26, 2015.

**RATE CHANGE SOUGHT:** The Company seeks approval to increase its current Environmental Surcharge Rider rate (ESR) at a positive surcharge of \$0.00122 per CCF to \$0.00128 per CCF for all firm delivery service customers. The increase is to take effect for service rendered on and after November 1, 2015.

**REASONS FOR FILING:** This filing is the annual Application to review the Gas ESR rate pursuant the provisions in the Settlement Agreement in Docket No. 03-127, approved on December 9, 2003, by Order No. 6327, to establish the Gas Environmental Surcharge mechanism.

**EFFECTIVE DATE:** The proposed rate change is to be effective for service rendered on or after November 1, 2015, subject to refund, and pending approval of the Commission.

**TEST YEAR:** N/A - The Environmental Cost Year in this filing is June 1, 2014 through May 31, 2015. The Recovery Year in this filing is November 1, 2015 through October 31, 2016.

**ELEMENTS OF RATE CHANGE:** The new rate was calculated in accordance with the methodology approved in PSC Docket No. 04-53 to recover costs associated with the clean up of the Manufactured Gas Plant site in Wilmington, Delaware. A rate increase is requested in this filing.

**IMPACT OF DIFFERENT CLASSES:** The current Environmental Surcharge Rider rate increases to a positive surcharge of \$0.00128 per CCF for all firm delivery service customers.

**CUSTOMER IMPACT** The effect on a residential space heating customer using 120 ccf in a winter month would be an increase of \$0.01 or a 0.003% increase in their total bill.

## Application

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF )  
DELMARVA POWER & LIGHT COMPANY FOR AN ) Docket No. 15-\_\_  
ANNUAL UPDATE IN THE GAS ENVIRONMENTAL )  
SURCHARGE RIDER RATE )  
(Filed on August 26, 2015) )

**DELMARVA POWER & LIGHT COMPANY'S APPLICATION  
FOR AN UPDATE TO THE GAS ENVIRONMENTAL SURCHARGE RIDER**

Delmarva Power & Light Company (Delmarva or the Company) hereby files the annual Application for Approval to update its Gas Environmental Surcharge Rider (ESR) rates pursuant to 26 *Del. C.* §§ 201, 301, 304 and other applicable authorities, including Order No. 6401 in Docket No. 04-53, entered April 20, 2004, to be effective for service rendered on and after November 1, 2015. In support hereof, Delmarva submits the following:

1. Applicant is Delmarva Power & Light Company, 500 North Wakefield Drive, Newark, DE. 19702 - 5440. Delmarva is a wholly owned subsidiary of Pepco Holdings, Inc. (PHI).
2. Delmarva requests that all communications and notices with respect to this proceeding be made (preferably electronically only) to the following and these individuals be put on the official service list of this proceeding:

Pamela J. Scott, Esquire Delmarva Power & Light Company Assistant General Counsel 500 North Wakefield Drive Newark, DE 19702-5440 (Private Mail Service) or P. O. Box 6066 Mail Stop: 92DC42 Newark, DE 19714-6066 (302) 429-3143 pjscott@pepcoholdings.com	Ryan Robichaud Senior Supervising Engineer Delmarva Power & Light Company 84CP22 5 Collins Drive Carneys Point, NJ 08069 (856) 351-7800 ryan.robichaud@pepcoholdings.com
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Kristin McEvoy Delmarva Power & Light Company Senior Regulatory Affairs Coordinator of Regulatory Compliance Pricing 401 Eagle Run Road Newark, DE 19714 (Private Mail Service) or P.O. Box 9239 Mail Stop: 79NC59 Newark, DE 19714-9239 (302) 454-4187 kristin.mcevoy@pepcoholdings.com	Leonard J. Beck Delmarva Power & Light Company Regulatory Affairs 401 Eagle Run Road Newark, DE 19714 (Private Mail Service) or P.O. Box 9239 Mail Stop: 79NC59 Newark, DE 19714-9239 (302) 454-4839 Len.beck@pepcoholdings.com
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3. Pursuant to the provisions of Delmarva’s Environmental Surcharge Rider tariff clause, the Company requests permission to increase its current Environmental Surcharge Rider rate from a positive surcharge of \$0.00122 per ccf to a positive surcharge rate of \$0.00128 per ccf for all firm delivery service customers. This rate increase is proposed to become effective for service rendered on and after November 1, 2015, and thereafter, until changed by further order of the Delaware Public Service Commission (“Commission”).

4. The current Gas Tariff specifies that, “the Company will file with the Commission a copy of the Environmental Surcharge Rider computation at least thirty (30) days prior to the proposed effective date of November 1.”

5. Revised tariff leafs and red-line versions setting forth the proposed changes are attached to this Application. Consistent with the approved mechanism established in Docket No. 04-53, Delmarva requests that the Commission permit the proposed changes in ESR rates and the proposed surcharge to become effective for service rendered on and after November 1, 2015, with proration, subject to refund after Commission review.

6. The attached testimony describes the full calculation of the proposed ESR to be effective November 1, 2015. The reasons and basis for the proposed increase in the ESR rate are more fully explained in the testimonies of Kristin M. McEvoy and Ryan C. Robichaud.

7. For a typical space heating residential customer using 120 ccf of gas in a winter month, the effects of the proposed Gas Environmental Surcharge Rider Rate change will be an increase in the monthly winter bill of about \$0.01.

8. A proposed form of order is attached.

**WHEREFORE**, Delmarva Power & Light Company respectfully requests that:

- A. The Commission accept its Application for filing and schedule a hearing thereon;  
and
- B. The Commission issue an order permitting the rates to go into effect on  
November 1, 2015, with proration, subject to further proceedings and potential  
refunds; and
- C. Proper notice of the hearing be published; and
- D. The Commission ultimately approve the proposed rates reflected in the tariff leafs  
as filed by the Company.

Respectfully submitted,

By:



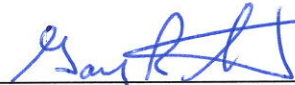
Pamela J. Scott  
Assistant General Counsel  
Delmarva Power & Light Company  
500 North Wakefield Drive  
Mailstop 92DC42  
Newark, DE 19702- 5440  
(302) 429-3143

Dated: August 26, 2015




STATE OF DELAWARE                    )  
  )       SS.  
COUNTY OF NEW CASTLE            )

On this 20 day of August, 2015, personally came before me, the subscriber, a Notary Public in and for the State and County aforesaid Gary R Stockbridge, Regional Vice President of Pepco Holdings, Inc., a corporation existing under the laws of the State of Delaware, party to this Application, known to me personally to be such, and acknowledged this Application to be his act and deed and the act and deed of such corporation, that the signature of such Regional Vice President is in his own proper handwriting, and that the facts set forth in this Application are true and correct to the best of his knowledge and belief.

  
\_\_\_\_\_  
Gary R Stockbridge  
President – Delmarva Region

SWORN TO AND SUBSCRIBED before me this 20 day of August 2015.

  
\_\_\_\_\_  
Notary Public *Notary Public - DE No. #3096 (Terry L. Goodman)*

My Commission expires: N/A

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION	)	
OF DELMARVA POWER & LIGHT COMPANY	)	
FOR AN ANNUAL UPDATE IN THE GAS	)	PSC DOCKET NO. 15-_____
ENVIRONMENTAL SURCHARGE RIDER RATE	)	
(FILED AUGUST 26, 2015)	)	

**ORDER NO. \_\_\_\_\_**

**AND NOW**, this \_\_\_\_ day of \_\_\_\_\_, 2015, the Delaware Public Service Commission ("Commission") determines and orders the following:

**WHEREAS**, on August 26, 2015, Delmarva Power & Light Company ("Delmarva" or "Company") filed the above-captioned application (the "Application") with the Commission seeking approval to increase the rate for its Environmental Surcharge Rider ("ESR") under the process approved in PSC Order No. 6401 (Apr. 20, 2004) in Docket No. 04-53; and

**WHEREAS**, in its Application, Delmarva seeks to increase its current ESR rate from a positive surcharge of \$0.00122 per ccf to a positive surcharge rate of \$0.00128 per ccf for all firm delivery service customers; and

**WHEREAS**, pursuant to 26 *Del. C.* §§304(a) and 306(a)(2), upon the filing of a petition for a proposed change to any rate, the Commission may determine that a portion of such change shall become effective not later than 60 days after the filing of a petition on a temporary basis pending the final decision of the Commission; and

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE  
VOTE OF NOT FEWER THAN THREE COMMISSIONERS:**

1. Pursuant to 26 *Del. C.* §§304(a) and 306(a)(2) and the process set forth by the Commission in Order No. 6401 (April 20, 2004), the proposed increase in the current ESR rate from a positive surcharge of \$0.00122 per ccf to a positive surcharge rate of \$0.00128 per ccf for all firm delivery service customers is hereby permitted to become effective for gas usage on and after November 1, 2015, with proration, and subject to refund pending further review and final decision by the Commission.

2. The Commission shall not assign this docket to a Hearing Examiner to conduct an evidentiary hearing, but, rather, shall conduct an evidentiary hearing on the Application during its regularly-scheduled meeting on \_\_\_\_\_, at \_\_\_\_ p.m. at 861 Silver Lake Boulevard, 1<sup>st</sup> Floor Hearing Room, Cannon Building, Dover, DE 19904.

3. As outlined in the form of Public Notice, interested persons or entities are afforded the opportunity to file written comments or objections to the proposed change in the ESR rate. Such written comments or objections must be filed *on or before* \_\_\_\_\_, 2015. In addition, the Commission will accept public comments on the Application immediately prior to the commencement of the evidentiary hearing on \_\_\_\_\_, 2015.

4. Pursuant to 26 *Del. C.* § 502 and 29 *Del. C.* ch. 101, the Commission designates Hearing Examiner \_\_\_\_\_ for the sole purpose of considering any petitions for intervention that may be filed in this docket.

5. Delmarva Power & Light Company shall provide public notice of the filing of its Application, this Order and the date of the evidentiary hearing by publishing notices in the form attached hereto as Exhibit "A" in the legal classified section of The News Journal

newspaper in two-column format, outlined in black, on \_\_\_\_\_. Proof of such publication is to be provided to the Commission as soon as practical but not later than the commencement of the evidentiary hearing concerning this matter.

6. The deadline for intervention pursuant to 26 *Del. Admin C.* §1001-2.9 shall be \_\_\_\_\_. Petitions for intervention that are not received by the Commission **on or before** \_\_\_\_\_, **2015**, will not be granted unless good cause is shown. In addition, any intervenor wishing to oppose the Application must e- file written prefiled testimony with the Commission pursuant to the Rules of Practice and Procedure of the Commission (26 *Del. Admin C.* §1001-6.4), on or before \_\_\_\_\_, 2015. Copies of such testimony must be served on the following persons:

Jo Donoghue, Esquire Deputy Attorney General Public Service Commission 820 N. French Street 6th Floor Wilmington, DE 19801 (302) 577-8348 <a href="mailto:julie.donoghue@state.de.us">julie.donoghue@state.de.us</a>	Regina A. Iorri, Esquire Deputy Attorney General Division of the Public Advocate 820 N. French Street 6th Floor Wilmington, DE 19801 (302) 577-8159 <a href="mailto:regina.iorri@state.de.us">regina.iorri@state.de.us</a>
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<p>Pamela J. Scott, Esquire  Delmarva Power &amp; Light  Assistant General Counsel  500 North Wakefield Drive  Newark, DE 19702-5440  (Private Mail Service) or  P. O. Box 6066  Mail Stop: 92DC42  Newark, DE 19714-6066  (302) 429-3143  <pjscott@pepcoholdings.com< p=""></pjscott@pepcoholdings.com<></p>	<p>Malika Davis  Delaware Public Service Commission  861 Silver Lake Blvd., Suite 100  Dover, DE 19904  (302) 736-7521  malika.davis@state.de.us</p>
<p>Connie McDowell  Delaware Public Service Commission  861 Silver Lake Blvd., Suite 100  Dover, DE 19904  (302) 736-7535  connie.mcdowell@state.de.us</p>	
<p>Leonard J. Beck  Delmarva Power &amp; Light Company  Regulatory Affairs  401 Eagle Run Road  Newark, DE 19702  (Private Mail Service) or  P.O. Box 9239  Mail Stop: 79NC59  Newark, DE 19714-9239  (302) 454-4839  <a href="mailto:Len.beck@pepcoholdings.com">Len.beck@pepcoholdings.com</a></p>	<p>Ryan Robichaud  Senior Supervising Engineer  Delmarva Power &amp; Light Company  84CP22  5 Collins Drive  Carneys Point, NJ 08069  (856) 351-7800  ryan.robichaud@pepcoholdings.com</p>
<p>David Bonar  Public Advocate  29 South State Street  Dover, DE 19901  (302) 241-2550  <a href="mailto:david.bonar@state.de.us">david.bonar@state.de.us</a></p>	<p>Kristin M. McEvoy  Delmarva Power &amp; Light Company  Regulatory Compliance Pricing  401 Eagle Run Road  Newark, DE 19714  (Private Mail Service)  or  P.O. Box 9239  Mail Stop: 79 NC 59  Newark, DE 19714-9239  (302) 454-4187</p>

Any written pre-filed testimony sent by an intervenor that is not received by the Commission *on*  
*or before* \_\_\_\_\_, 2015 shall not be considered.

7. Delmarva Power & Light Company is hereby put on notice that it will be charged the costs incurred by the Commission Staff and the Division of the Public Advocate in connection with this proceeding under the provisions of 26 *Del. C.* §114(b)(1).

8. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

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Chair

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Commissioner

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Commissioner

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Commissioner

---

Commissioner

ATTEST:

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Donna Nickerson  
Secretary

**EXHIBIT "A"**

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION )  
OF DELMARVA POWER & LIGHT COMPANY )  
FOR AN ANNUAL UPDATE IN THE GAS ) PSC DOCKET NO. 15-\_\_\_\_  
ENVIRONMENTAL SURCHARGE RIDER RATE )  
(FILED AUGUST 26, 2015) )

**PUBLIC NOTICE**

**OF UPDATE TO DELMARVA POWER AND LIGHT COMPANY'S GAS  
ENVIRONMENTAL SURCHARGE RIDER RATE**

**TO: ALL NATURAL GAS CUSTOMERS OF DELMARVA POWER & LIGHT  
COMPANY, AND OTHER INTERESTED PERSONS**

The Delaware Public Service Commission (the "Commission") will conduct a public comment session and evidentiary hearing concerning the above-captioned case (as further explained below) at the following time and location:

**Date & Time**

**Location**

\_\_\_\_\_

**Hearing Room  
Delaware Public Service Commission  
861 Silver Lake Boulevard  
Cannon Building  
Dover, DE 19904**

**DP&L's Environmental Surcharge Rider Rate, PSC Docket No. 15-**

Pursuant to the environmental remediation recovery mechanism approved in PSC Order No. 6401 (Apr. 20, 2004), in Docket No. 04-53, Delmarva Power & Light Company ("Delmarva" or the "Company"), has filed an application (the "Application") with the Commission proposing an increase in the Environmental Surcharge Rider ("ESR") from a positive surcharge of \$0.00122 per ccf to a positive surcharge rate of \$0.00128 per ccf for all firm delivery service customers, with the increased rate to become effective with usage on

and after November 1, 2015, with proration, subject to modification and refund after an evidentiary hearing.

For a typical residential space heating customer using 120 ccf of gas in a winter month, the effect of the proposed ESR rate change will be \$0.01 on the monthly winter bill. The effect of the increase on commercial and industrial customers will depend on their usage.

By Order No. \_\_\_\_\_ dated \_\_\_\_\_, 2015, the Commission permitted the proposed rates to become effective with usage on and after November 1, 2015, with proration, subject to modification and refund after an evidentiary hearing.

On \_\_\_\_\_, 2015, starting at 1:00 p.m., the Commission will consider whether to grant Delmarva's Application. The evidentiary hearing will be held at the Commission's office located at 861 Silver Lake Boulevard, Cannon Building, Suite 100, Dover, Delaware 19904. The Commission will render a decision based upon the evidence presented to it at this evidentiary hearing.

Interested persons or entities are afforded the opportunity to file written comments or objections to the proposed change in the ESR rate. Such written comments or objections must be filed *on or before* \_\_\_\_\_, 2015. Please send these written comments to the Commission's address listed above and note the "attention to" as "PSC Docket No. 15-\_\_\_\_\_. Written comments may also be submitted electronically at <https://delafile@state.delaware.gov/>.

In addition, the Commission will accept public comments on the Application immediately prior to the commencement of the evidentiary hearing on \_\_\_\_\_, 2015.

If you wish to formally participate as a party in this docket, with the right to submit evidence and to be represented by counsel, you must file with the Commission a written petition asking for leave to intervene in this docket in accordance with the requirements of the Commission's Rules of Practice and Procedure (26 Del. Admin C. §1001-2.9) *on or before* \_\_\_\_\_, 2015. All such petitions should be e-filed according to the Rules. Petitions for intervention that are not received by the Commission *on or before* \_\_\_\_\_, 2015, will not be granted unless good cause is shown. Petitions received thereafter will not be considered except for good cause shown. If intervention status is granted, any intervenor wishing to oppose the Application shall file written prefiled testimony with the Commission *on or before* \_\_\_\_\_, 2015. Any submissions sent by an intervenor that are not received by the Commission *on or before* \_\_\_\_\_, 2015



will not be considered. Such written submissions shall also be served on the persons identified in Order No. \_\_\_\_ in this docket dated \_\_\_\_\_.

You are invited to review Delmarva's Application and supporting documents to determine how your interests may be affected. You may review documents posted on the Commission's website at <https://delafile@state.de.gov>. If you would like to review documents at the Commission's offices, please contact Donna Nickerson at [donna.nickerson@state.de.us](mailto:donna.nickerson@state.de.us) to arrange a time for your review. You may also review copies of the Company's Application and supporting documents at the office of the Division of the Public Advocate located at 29 South State Street, Dover, DE 19901. Please call (302) 241-2545 to arrange for a time to review the documents at that location.

If you wish to request copies of the documents in this matter, please submit a Freedom of Information Act Request Form. This form may be found at <http://smu.portal.delaware.gov/cgi-bin/mail/php?foia-request&subj=DOS>. There is also a link to the Freedom of Information Act Request Form on the Commission's website at <https://delafile.delaware.gov>. The Commission will respond to your request in accordance with the Delaware Freedom of Information Act, 29 *Del. C. ch.* 100.

Any individual with a disability desiring to participate in these proceedings or to review the filings should contact the Commission to discuss any auxiliary aids or services needed. The Commission Staff can also provide additional information about this docket. You may contact the Commission in person, by writing, by telephone (including text telephone), by Internet e-mail or other means.

If you have questions about this matter, you may call the Commission at 1-800-282-8574 (toll free in Delaware) or (302) 736-7500 (voice and text telephone). You may also send questions regarding this matter by Internet e-mail addressed to [psc@state.de.us](mailto:psc@state.de.us); include "PSC Docket No. 15-\_\_\_\_\_" as the subject.

## Tariff Sheets

SERVICE CLASSIFICATION	RATES AND CHARGES CORE SALES RATE LEAF	
	BASE RATE	BASIS
<u>Residential Gas Sales Service ("RG")</u>		
Customer Charge	\$11.41	per month
Delivery Charge	\$0.50229	per CCF
Space Heating Delivery Charge 1/ Over 50 CCF	\$0.40306	per CCF
Environmental Surcharge Rider	<del>\$0.00122</del> <u>00128</u>	per CCF
Gas Cost Rate (GCR)	\$0.53563	per CCF
<u>General Gas Sales Service ("GG")</u>		
Customer Charge	\$34.37	per month
Delivery Charge		
First 750 CCF	\$0.41726	per CCF
Over 750 CCF	\$0.31167	per CCF
Environmental Surcharge Rider	<del>\$0.00122</del> <u>00128</u>	per CCF
Gas Cost Rate (GCR)	\$0.53563	per CCF
<u>Gas Lighting Sales Service ("GL")</u>		
(Estimated Usage - 15 CCF per month)		
Monthly Charge	\$ 7.06	per gas light
Gas Cost Rate (GCR)	\$ 8.03	per gas light
<u>Medium Volume Gas Sales Service ("MVG")</u>		
Customer Charge	\$674.36	per month
Demand Charge	\$ 15.98	per MCF of Billing MDQ
Delivery Charge 2/	\$0.51276	per MCF
Environmental Surcharge Rider	<del>\$0.01215</del> <u>01282</u>	per MCF
Gas Cost Rate (GCR) Demand Charge	\$9.8132	per MCF of Billing MDQ
Gas Cost Rate (GCR) Commodity Charge 2/	\$3.5695	per MCF
<u>Large Volume Gas Sales Service ("LVG")</u>		
Customer Charge	\$1,010.59	per month
Demand Charge	\$ 9.84	per MCF of Billing MDQ
Delivery Charge 2/	\$0.12335	per MCF
Environmental Surcharge Rider	<del>\$0.01215</del> <u>01282</u>	per MCF
Gas Cost Rate (GCR) Demand Charge	\$9.8132	per MCF of Billing MDQ
Gas Cost Rate (GCR) Commodity Charge 2/	Varies	per MCF

**Public Utilities Tax:** 4.25% Applies to all non-residential services, including the GCR, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

**City of Wilmington Local Franchise Tax:** 2% Charged on all non-exempt services, in the City of Wilmington, including the GCR.

Utility Facility Relocation Charge For applicability refer to Rider UFRC on Leaf No. 81  
1/ Gas used by Customers with permanently installed gas-fired space heating equipment qualifies for the space heating delivery rate for all gas used in excess of 50 ccf for the billing months of October through May, inclusive.  
2/ All LVG and "Electing" MVG Customers pay a monthly Commodity Charge GCR based upon the system Weighted Average Commodity Cost of Gas ("System WACCOG"). "Non-Electing" MVG Customers pay the annual GCR Commodity Charge listed here.

Order Nos. ~~8767~~

Docket Nos. ~~14-0295F~~

Filed: -August ~~2026~~, 2015

Effective with Usage On and After November 1, ~~2014~~2015

Filed in Compliance with Order No. 8767 in Docket No. 14-0295F

To reflect Gas Cost Rate Approved as Final  
(Originally Effective November 1, 2014)

Proposed

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Delmarva Power & Light Company

~~Eleventh~~<sup>Twelfth</sup>

P.S.C. Del. No. 5 – Gas

Leaf No.: 37a  
Revision:

Revised: August ~~2014~~<sup>2015</sup>

RATES AND CHARGES  
CORE SALES RATE LEAF

<u>SERVICE CLASSIFICATION</u>	<u>BASE RATE</u>	<u>BASIS</u>
<u>Large Volume Gas Sales Service-Qualified Fuel Cell Provider-Renewable Capable Power Production</u> <u>("LVG-QFCP-RC")</u>		
Customer Charge	\$1,086.02	per month
Demand Charge	\$6.897670	per MCF of Billing MDQ
Capital Recovery Charge	Varies	per Customer's Executed Service Agreement
Environmental Surcharge Rider	\$0. <del>012150</del> <sup>1282</sup>	per MCF
Gas Cost Rate (GCR) Commodity Charge 1/	Varies	per MCF

Public Utilities Tax: 4.25% applies to all non-residential services, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2% charged on all non-exempt services, in the City of Wilmington.

Utility Facility Relocation Charge For applicability refer to Rider UFRC on Leaf No. 81

- 1/ All LVG-QFCP-RC customers pay a Commodity Charge Rate based upon the Gas Daily Average (GDA) for Transco Zone 6 Non-New York price plus any premiums incurred by Delmarva to provide this service.

Order Nos. ~~8767~~

Docket Nos. ~~14-0295F~~

Filed: August ~~2014~~<sup>2015</sup>

Effective with Usage On and After November 1, ~~2014~~<sup>2015</sup>

~~Filed in Compliance with Order No. 8767 in Docket No. 14-0295F~~

~~To reflect Gas Cost Rate Approved as Final~~  
~~(Originally Effective November 1, 2014)~~

~~Proposed~~

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RATES AND CHARGES

CORE TRANSPORTATION RATE LEAF

<u>SERVICE CLASSIFICATION</u>	<u>BASE RATE</u>	<u>BASIS</u>
<u>General Volume Firm Transportation Service ("GVFT")</u>		
Customer Charge	\$119.76	per month
Delivery Charge		
First 750 CCF	\$0.41726	per CCF Redelivered
Over 750 CCF	\$0.31167	per CCF Redelivered
Balancing Fee Non-Base Rate	\$0.03388	per CCF of Imbalance Volumes
Environmental Surcharge Rider	<del>\$0.00122</del> 00128	per CCF
<u>Medium Volume Firm Transportation Service ("MVFT")</u>		
Customer Charge	\$749.79	per month
Demand Charge	\$ 15.98	per MCF of Billing MDQ
Delivery Charge	\$ 0.51276	per MCF Redelivered
Balancing Fee Non-Base Rate	\$0.3388	per MCF of Imbalance Volumes
Environmental Surcharge Rider	<del>\$0.01215</del> 01282	per MCF
<u>Large Volume Firm Transportation Service ("LVFT")</u>		
Customer Charge	\$1,086.02	per month
Demand Charge	\$ 9.84	per MCF of Billing MDQ
Delivery Charge	\$ 0.12335	per MCF Redelivered
Balancing Fee Non-Base Rate	\$0.3388	per MCF of Imbalance Volumes
Environmental Surcharge Rider	<del>\$0.01215</del> 01282	per MCF
<u>Standby Service ("SBS")</u>		
Demand Charge Non-Base Rate	\$9.8132	per MCF of Standby MDQ
Commodity Charge		Monthly System WACCOG per MCF (adjusted for losses and unaccounted for)

Utility Facility Relocation Charge For applicability refer to Rider UFRC on Leaf No. 81

Public Utilities Tax: 4.25% Applies to all non-residential services, including the GCR, unless pursuant to Title30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2.00% Charged on all non-exempt Services, in the City of Wilmington, including the GC.



RIDER “ESR” (continued)

## ENVIRONMENTAL SURCHARGE RIDER

## E. Determination of the Rate continued

(2) Reconciliation Factor: The reconciliation factor shall be equal to the over/under collection of the environmental cost rider. Over/under collection is the accumulated experienced net over or under recovery of the environmental costs during the twelve-month period ending with the month of July immediately preceding the beginning of the next recovery year.

(3) Rider Rate: The rider rate shall be equal to the sum of the amortization and reconciliation factors divided by projected firm sales over the next recovery period of November 1 through October 31.

## F. Definitions

Environmental Cost Year (ECY) - is the time period over which environmental costs are incurred and any payments from other parties are netted against those costs. For purposes of this rider, the ECY is from June 1 through May ~~30~~31. The ECY will include actual data recorded for the year. Recovery of environmental costs for an ECY will begin with the Recovery year that starts immediately following the end of the ECY.

Recovery Year – is each November 1 through October 31 and is the time period which the annually calculated environmental rider will be billed to firm customers.

Tax benefit (TB) – associated with environmental expenditures shall be calculated as follows:

$$Tb_n = AEC_n * [(5-x)/5] * 0.1118 * 0.40655$$

Where:

$AEC_n$  = Actual Environmental Costs incurred in ECY “n”

X = The number of years that the Actual Environmental Costs (AEC) incurred in Year “n” have been subject to amortization (x= 1, 2, 3, and 4)

0.1118 = Before Tax Cost Rate

0.40655 = Effective Combined Federal and State Income Tax Rate.

The Before Tax Cost Rate of 0.1118 and the Effective Combined Federal and State Income Tax Rate of 0.40655 are the rates at the time of implementation of this rider and are subject to change. Any change in the Before Tax Cost Rate will be implemented starting with the next Rider Rate is calculated for the next Recovery year. Any change in the Effective Combined Federal and State Income Tax Rate will be implemented starting with the recovery calculation for the next ECY that ends after the rate changes.

**RATES AND CHARGES  
CORE SALES RATE LEAF**

<u>SERVICE CLASSIFICATION</u>	<u>BASE RATE</u>	<u>BASIS</u>
<u>Residential Gas Sales Service ("RG")</u>		
Customer Charge	\$11.41	per month
Delivery Charge	\$0.50229	per CCF
Space Heating Delivery Charge 1/ Over 50 CCF	\$0.40306	per CCF
Environmental Surcharge Rider	\$0.00128	per CCF
Gas Cost Rate (GCR)	\$0.53563	per CCF
<u>General Gas Sales Service ("GG")</u>		
Customer Charge	\$34.37	per month
Delivery Charge		
First 750 CCF	\$0.41726	per CCF
Over 750 CCF	\$0.31167	per CCF
Environmental Surcharge Rider	\$0.00128	per CCF
Gas Cost Rate (GCR)	\$0.53563	per CCF
<u>Gas Lighting Sales Service ("GL")</u>		
(Estimated Usage - 15 CCF per month)		
Monthly Charge	\$ 7.06	per gas light
Gas Cost Rate (GCR)	\$ 8.03	per gas light
<u>Medium Volume Gas Sales Service ("MVG")</u>		
Customer Charge	\$674.36	per month
Demand Charge	\$ 15.98	per MCF of Billing MDQ
Delivery Charge 2/	\$0.51276	per MCF
Environmental Surcharge Rider	\$0.01282	per MCF
Gas Cost Rate (GCR) Demand Charge	\$9.8132	per MCF of Billing MDQ
Gas Cost Rate (GCR) Commodity Charge 2/	\$3.5695	per MCF
<u>Large Volume Gas Sales Service ("LVG")</u>		
Customer Charge	\$1,010.59	per month
Demand Charge	\$ 9.84	per MCF of Billing MDQ
Delivery Charge 2/	\$0.12335	per MCF
Environmental Surcharge Rider	\$0.01282	per MCF
Gas Cost Rate (GCR) Demand Charge	\$9.8132	per MCF of Billing MDQ
Gas Cost Rate (GCR) Commodity Charge 2/	Varies	per MCF

Public Utilities Tax: 4.25% Applies to all non-residential services, including the GCR, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2% Charged on all non-exempt services, in the City of Wilmington, including the GCR.

Utility Facility Relocation Charge

For applicability refer to Rider UFRC on Leaf No. 81

1/ Gas used by Customers with permanently installed gas-fired space heating equipment qualifies for the space heating delivery rate for all gas used in excess of 50 ccf for the billing months of October through May, inclusive.  
2/ All LVG and "Electing" MVG Customers pay a monthly Commodity Charge GCR based upon the system Weighted Average Commodity Cost of Gas ("System WACCOG"). "Non-Electing" MVG Customers pay the annual GCR Commodity Charge listed here.

## BASIS

## per MCF

1/ All LVG-QFCP-RC customers pay a Commodity Charge Rate based upon the Gas Daily Average (GDA) for Transco Zone 6 Non-New York price plus any premiums incurred by Delmarva to provide this service.



RATES AND CHARGES

CORE TRANSPORTATION RATE LEAF

<u>SERVICE CLASSIFICATION</u>	<u>BASE RATE</u>	<u>BASIS</u>
<u>General Volume Firm Transportation</u>		
Service ("GVFT")		
Customer Charge	\$119.76	per month
Delivery Charge		
First 750 CCF	\$0.41726	per CCF Redelivered
Over 750 CCF	\$0.31167	per CCF Redelivered
Balancing Fee Non-Base Rate	\$0.03388	per CCF of Imbalance Volumes
Environmental Surcharge Rider	\$0.00128	per CCF
<u>Medium Volume Firm Transportation</u>		
Service ("MVFT")		
Customer Charge	\$749.79	per month
Demand Charge	\$ 15.98	per MCF of Billing MDQ
Delivery Charge	\$ 0.51276	per MCF Redelivered
Balancing Fee Non-Base Rate	\$0.3388	per MCF of Imbalance Volumes
Environmental Surcharge Rider	\$0.01282	per MCF
<u>Large Volume Firm Transportation</u>		
Service ("LVFT")		
Customer Charge	\$1,086.02	per month
Demand Charge	\$ 9.84	per MCF of Billing MDQ
Delivery Charge	\$ 0.12335	per MCF Redelivered
Balancing Fee Non-Base Rate	\$0.3388	per MCF of Imbalance Volumes
Environmental Surcharge Rider	\$0.01282	per MCF
<u>Standby Service ("SBS")</u>		
Demand Charge Non-Base Rate	\$9.8132	per MCF of Standby MDQ
Commodity Charge		Monthly System WACCOG per MCF (adjusted for losses and unaccounted for)

Utility Facility Relocation Charge For applicability refer to Rider UFRC on Leaf No. 81

Public Utilities Tax: 4.25% Applies to all non-residential services, including the GCR, unless pursuant to Title30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2.00% Charged on all non-exempt Services, in the City of Wilmington, including the GC.

RIDER “ESR” (continued)

## ENVIRONMENTAL SURCHARGE RIDER

## E. Determination of the Rate continued

(2) Reconciliation Factor: The reconciliation factor shall be equal to the over/under collection of the environmental cost rider. Over/under collection is the accumulated experienced net over or under recovery of the environmental costs during the twelve-month period ending with the month of July immediately preceding the beginning of the next recovery year.

(3) Rider Rate: The rider rate shall be equal to the sum of the amortization and reconciliation factors divided by projected firm sales over the next recovery period of November 1 through October 31.

## F. Definitions

Environmental Cost Year (ECY) - is the time period over which environmental costs are incurred and any payments from other parties are netted against those costs. For purposes of this rider, the ECY is from June 1 through May 31. The ECY will include actual data recorded for the year. Recovery of environmental costs for an ECY will begin with the Recovery year that starts immediately following the end of the ECY.

Recovery Year – is each November 1 through October 31 and is the time period which the annually calculated environmental rider will be billed to firm customers.

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$$Tb_n = AEC_n * [(5-x)/5] * 0.1118 * 0.40655$$

Where:

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The Before Tax Cost Rate of 0.1118 and the Effective Combined Federal and State Income Tax Rate of 0.40655 are the rates at the time of implementation of this rider and are subject to change. Any change in the Before Tax Cost Rate will be implemented starting with the next Rider Rate is calculated for the next Recovery year. Any change in the Effective Combined Federal and State Income Tax Rate will be implemented starting with the recovery calculation for the next ECY that ends after the rate changes.

## Testimony

1                   **DELMARVA POWER & LIGHT COMPANY**  
2                   **TESTIMONY OF RYAN C. ROBICHAUD**  
3                   **BEFORE THE PUBLIC SERVICE COMMISSION**  
4                   **OF THE STATE OF DELAWARE**  
5                   **CONCERNING THE ANNUAL GAS ENVIRONMENTAL**  
6                   **SURCHARGE RIDER (ESR) RATE REVIEW**  
7                   **PSC DOCKET NO. 15-\_\_\_\_\_**  
8 \_\_\_\_\_

9   **1. Q: Please state your name, title and business address.**

10       **A:**           My name is Ryan C. Robichaud, Senior Supervising Scientist, testifying  
11                   on behalf of Delmarva Power & Light Company (Delmarva or the Company).  
12                   My office is located at 5 Collins Drive, Carney's Point, New Jersey 08069.

13   **2. Q: What is your educational and professional background and experience?**

14       **A:**           I hold a Bachelors of Science degree in Environmental Sciences from  
15                   Oregon State University. I began my employment with Delmarva Power/Conectiv  
16                   in 2001, working in the Corporate Environmental Affairs Department. My  
17                   primary responsibilities were to conduct environmental audits of Company  
18                   facilities and manage the portfolio of current and legacy Company owned  
19                   contaminated properties including but not limited to the Wilmington Coal Gas  
20                   Site – North (WCGS-N) and Wilmington Coal Gas Site – South (WCGS-S). My  
21                   site remediation responsibilities for the contaminated properties included  
22                   developing and monitoring budgets, resolving technical matters, coordinating  
23                   logistics, interacting with Regulatory Agencies and the public, working with  
24                   consultants and contractors.

1 In 2006, I moved to the Corporate Environmental Compliance Department at  
2 Pepco Holdings, Inc. (Delmarva's parent Company) with a focus on the Atlantic  
3 City Electric territory providing compliance support, and spill/waste management  
4 services. In this position my responsibilities included the management of our  
5 Waste Vendor Audit program, our Spill Prevention Control and Countermeasure  
6 (SPCC) program and our Environmental Management Information System. In  
7 2014, I was hired into my current position in the Environmental Waste Services  
8 Department with the responsibility of managing all waste and scrap equipment  
9 activities in our Atlantic City Electric and Delmarva Power regions. Further, with  
10 my previous experience as the project manager of the WCGS-N and WCGS-S  
11 sites, I have assumed responsibility for managing the WCGS-S project.

12 Prior to my employment at Delmarva Power, I worked as an  
13 Environmental Health and Safety Manager at a pharmaceutical company as well  
14 as an Environmental Consultant performing Superfund oversight and compliance  
15 inspections on behalf of EPA Region III.

16 **3. Q: Have you previously testified before the Delaware Public Service**  
17 **Commission?**

18 **A:** No, I have not.

19 **4. Q: What is the purpose of your testimony?**

20 **A:** The purpose of my testimony is to provide an update of the Company's  
21 activities since last year and discuss the cleanup work to date at the Wilmington  
22 Coal Gas South Site. I will discuss the expenses incurred in the Environmental  
23 Cost Year (ECY) for the period June 1, 2014 through May 31, 2015, and provide

1 details of the work related to those expenses. This testimony was prepared by me  
2 or under my direct supervision. The source documents for my testimony are  
3 Company records. I also rely on my personal knowledge and experience.

4 **5. Q: Which sites have been part of an environmental remediation in Delaware for**  
5 **Delmarva's manufactured gas plants?**

6 A: Delmarva Power has two former Manufactured Gas Plant locations in  
7 Delaware. For remediation purposes, the Delaware Department of Natural  
8 Resources and Environmental Control (DNREC) divided the first of the two  
9 locations (the Wilmington plant) into three sites. The location of the second plant  
10 is in New Castle, Delaware, and is not currently being remediated. The three  
11 DNREC designated sites in Wilmington include: Wilmington Coal Gas North  
12 Site, Wilmington Coal Gas South Site, and the Public Works Yard. These  
13 otherwise contiguous plant sites were separated by South Madison and Beech  
14 Streets prior to the recent redevelopment of the area as part of the Riverfront  
15 development. The Wilmington Coal Gas North Site property was transferred to  
16 the Delaware Department of Transportation (DelDOT) on March 15, 2006. The  
17 Public Works Yard was transferred to the City of Wilmington on August 14,  
18 1984. For the Environmental Cost Year June 1, 2014 to May 31, 2015, expenses  
19 were only incurred in connection with the remediation of the Wilmington Coal  
20 Gas South Site as set forth in Schedule KMM-2.

1   **6. Q: What types of costs make up the expenses listed on Schedule KMM-2?**

2       **A:**           The expenses listed on Schedule KMM-2 are the charges billed to  
3           Delmarva by AECOM, Inc., the engineering and environmental consulting firm  
4           retained by Delmarva to assist in the remediation of the Wilmington Coal Gas  
5           South Site, as well as charges imposed by the Delaware Department of Natural  
6           Resources and Environmental Control's Site Investigation and Restoration  
7           Section (DNREC-SIRS) for oversight of the project. The work performed during  
8           the environmental test year was primarily the implementation of the Remedial  
9           Action Work Plan for this site as approved by DNREC. The total amount  
10          invoiced by AECOM and DNREC-SIRS and paid by Delmarva from June 1,  
11          2014 through May 31, 2015, was \$953.46. These charges were for the  
12          following: travel costs for meetings to discuss the Site Closure Report and  
13          development of the Long Term Stewardship Plan (LTSP) and project oversight  
14          fees from the State of Delaware.

15   **7. Q: Please address any changes in ownership of the Wilmington Coal Gas South**  
16       **Site since the last application.**

17       **A:**           Delmarva's ownership of the Wilmington Coal Gas South Site has not  
18          changed since the previous annual filing (Docket No.12-420). Delmarva  
19          continues to own the majority of the area designated by DNREC as Wilmington  
20          Coal Gas South Site; however, a portion of the remedy extended onto the  
21          neighboring parcel of land owned by the Delaware Stadium Corporation.

1   **8. Q: When does Delmarva expect all remediation work to be completed and what**  
2       **is the current estimate of remaining remediation expenses for the**  
3       **Wilmington Coal Gas South Site?**

4       **A:**       All remediation work required by DNREC in the Remedial Action Work  
5       Plan was completed as of July of 2013 with the costs included in last year's ESR  
6       filing. Delmarva estimates that it will incur approximately \$370,000 in expenses  
7       over the next 10 years to finalize and implement the site LTSP which includes,  
8       but is not limited to, groundwater monitoring and cap maintenance activities as  
9       required and approved by DNREC.

10   **9. Q: What is the current status of the project with the Department of Natural**  
11       **Resources and Environmental Control (DNREC)?**

12       **A:**       Delmarva submitted the LTSP to DNREC on November 26, 2014. The  
13       LTSP identifies the ongoing maintenance activities required to ensure the long  
14       term effectiveness of the remediated approved by DNREC. The LTSP includes  
15       routine sampling of site ground water monitoring wells, maintenance of the  
16       asphalt and vegetative cap, fencing (engineering controls) and recordation of deed  
17       restrictions against the property that, among other things, requires DNREC  
18       notification and approval, when necessary, for any potential future earth  
19       disturbing activities at the site. DNREC approved the LTSP on January 30,  
20       2015.

21       As part of the LTSP, Delmarva recently reviewed and provided comments  
22       on an Environmental Covenant (EC) template supplied by DNREC. Language  
23       within the EC has been finalized and Delmarva is in the process of obtaining the



1           appropriate signatures in order to record the document. Once the EC is executed  
2           and recorded, DNREC will issue a Certificate of Completion of Remedy thus  
3           recognizing the completion of all work required to remediate the environmental  
4           conditions at the site.

5   **10. Q: Does this conclude your testimony?**

6       **A:**           Yes.

1                               **DELMARVA POWER & LIGHT COMPANY**  
2                               **TESTIMONY OF KRISTIN M. McEVOY**  
3                               **BEFORE THE PUBLIC SERVICE COMMISSION**  
4                               **OF THE STATE OF DELAWARE**  
5                               **CONCERNING THE ANNUAL GAS ENVIRONMENTAL**  
6                               **SURCHARGE RIDER (ESR) RATE REVIEW**  
7                               **PSC DOCKET NO. 15-\_\_\_\_\_**  
8 \_\_\_\_\_

9   **1. Q: Please state your name, occupation and business address.**

10       **A:**           My name is Kristin M. McEvoy, Senior Regulatory Affairs Coordinator of  
11           Regulatory Compliance Pricing, for PHI Service Company which is a subsidiary  
12           of PEPCO Holdings, Inc. the parent company of Delmarva Power and Light  
13           Company (Delmarva or the Company). My office is located at 401 Eagle Run  
14           Road, Newark, Delaware 19702.

15   **2. Q: What is your educational and professional background and experience?**

16       **A:**           I hold a Bachelor of Science degree in Finance and a Masters of Business  
17           Administration degree with an accounting concentration from Rowan University.  
18           I have been employed by PHI Service Company, the parent to Delmarva Power  
19           and Light Company (Delmarva) since October of 2006 serving in accounting and  
20           finance, and regulatory functions.

21               In my current role, I am responsible for the Delaware Standard Offer  
22           Service Program, the Renewable Portfolio Standard filing, the Qualified Fuel Cell  
23           Provider filings, Demand Side Management, Environmental Surcharge, Gas Cost  
24           Rate, and other related activities. In my prior accounting and finance role, I was  
25           responsible for recording all regulated revenues and managed multiple deferral

1 accounting mechanisms for the Pepco Utility, led numerous projects and served as  
2 an interim supervisor providing oversight and coordination of other team  
3 members' responsibilities.

4 Prior to joining PHI, I was employed by a manufacturing company for  
5 eight years holding various accounting and finance positions with increasing  
6 levels of responsibility.

7 **3. Q: Have you previously testified before the Delaware Public Service**  
8 **Commission?**

9 A: Yes. I previously testified in the Delaware Standard Offer Service SOS-  
10 PCA-RARM-RPS filings, PSC Docket Nos. 04-391 and 14-144.

11 **4. Q: What is the purpose of your testimony?**

12 A: The purpose of my testimony is to support Delmarva's annual application  
13 to review the Gas Environmental Surcharge Rider Rate (ESR Rate). I will  
14 provide detail as to the calculation of the proposed ESR Rate increase. This  
15 testimony was prepared by me or under my direct supervision. The source  
16 documents for my testimony are Company records. I also rely on my personal  
17 knowledge and experience.

18 **5. Q: What rate is Delmarva proposing to be effective on November 1, 2015, and**  
19 **how does this compare with the current rates?**

20 A: Delmarva requests that the proposed ESR Rates, as required by the Gas  
21 Service Tariff, be approved effective with usage on and after November 1, 2015.  
22 Delmarva's proposed ESR Rates for the 2015-2016 period are shown below.  
23 Compared to the ESR Rates presently in effect, Delmarva is asking for a

\$0.00006/CCF increase in the rate from \$0.00122/CCF to \$0.00128/CCF or \$0.01215/MCF to \$0.01282/MCF for the average residential customer. As detailed later herein, for Delmarva's typical residential customer, this will cause a monthly winter heating bill to increase by \$0.01.

**ENVIRONMENTAL SURCHARGE RIDER RATE**

Current	Proposed	Change
\$0.00122/CCF	\$0.00128/CCF	\$0.00006/CCF
\$0.01215/MCF	\$0.01282/MCF	\$0.00067/MCF

**6. Q: Has Delmarva proposed any Rate Structure Redesign of its ESR Rate in this proceeding?**

**A:** No. Delmarva has not proposed any rate structure redesign in this filing. Delmarva has calculated the ESR Rate using the same method approved by the Commission in Order No. 6401, Docket No. 04-53.

**7. Q: Please explain the background of the ESR Rate.**

**A:** In Docket No. 03-127, Delmarva filed for a change in Gas Base Rates in March 2003. In that proceeding, Delmarva had requested recovery of certain expenses associated with remediation of its Manufactured Gas Plant sites. The parties entered into a Settlement Agreement in Docket No. 03-127, which was approved on December 9, 2003 by Commission Order No. 6327. The Settlement Agreement contained a provision which allowed Delmarva to file for a separate mechanism to recover appropriate costs associated with the remediation of the

1 Manufactured Gas Plant sites. Section II. A. 2. of the approved Settlement  
2 Agreement provided as follows:

3 The Parties agree that, should the Commission approve this  
4 Settlement, the Company will file an application for a change in  
5 its tariffs to implement an environmental remediation surcharge,  
6 equivalent to the mechanism that Chesapeake Utilities currently  
7 has in effect. The Company will file this request separately,  
8 including .... (actual incremental "out-of-pocket" expenses as  
9 described in Staff Witness Henkes' testimony, Ex. 19 at 63) ....

10  
11 Delmarva filed its application to establish the Gas Environmental  
12 Surcharge mechanism on February 13, 2004 in Docket No. 04-53, and has been  
13 filing annual applications since that time for the ESR Rate using the same  
14 methodology. A complete summary of the recovery requests and results from  
15 2003 through 2015 are contained in Schedule KMM-1.

16 **8. Q: Please explain the outcome of Delmarva's most recent annual Environmental**  
17 **Surcharge Filing in Docket No. 14-0296.**

18 **A:** In its application, Delmarva filed the annual Gas ESR Rate to become  
19 effective November 1, 2014, coincident with the effective date of Delmarva's  
20 annual GCR filing. Delmarva recommended that the Gas ESR Rate level be  
21 increased. The Commission Staff and Division of the Public Advocate (DPA)  
22 reviewed Delmarva's testimony and supporting documentation, performed their  
23 annual audit of related expenses and determined that the information provided  
24 was accurate. The parties then proceeded to execute a Settlement Agreement  
25 whereby the rates as proposed were accepted. On December 4, 2014, pursuant to  
26 Order No. 8680, the Commission approved the Settlement Agreement resulting in  
27 an increase to the Environmental Surcharge Rider Rate of \$0.00063/CCF, from

1           \$0.00059/CCF to \$0.00122/CCF effective November 1, 2014 through October 31,  
2           2015, which caused a typical customer monthly heating bill to increase by \$0.08.

3   **9. Q: Please review the level of cost recovery Delmarva is requesting in this filing.**

4       **A:**       Schedule KMM-2 contains a listing of the Environmental Expenses that  
5       were incurred during the Environmental Cost Year (ECY). Per Delmarva's Tariff  
6       Leaf No. 80, the ECY is defined as "the time period over which environmental  
7       costs are incurred and any payments from other parties are netted against those  
8       costs. The ECY will include actual data recorded for the year. Recovery of  
9       environmental costs for an ECY will begin with the Recovery Year that starts  
10      immediately following the end of the ECY." For the purposes of this Application,  
11      the ECY runs from June 1, 2014 through May 31, 2015. Delmarva incurred costs  
12      of \$953.46 during this period. Recovery of the environmental costs for an ECY  
13      will begin with the Recovery Year that starts immediately following the end of  
14      the prior ECY.

15 **10. Q: Were any payments netted against these costs during the ECY?**

16      **A:**       No, Delmarva did not receive any payments from other parties directly  
17      related to the ESR to be netted against these costs in the ECY.

18 **11. Q: What types of costs are to be recovered under this ESR?**

19      **A:**       Per Delmarva's Gas Tariff Leaf No. 79, the costs to be recovered by this  
20      Rider are defined as follows:

21                "Applicable environmental costs are those incurred as a result of, but are  
22                not limited to investigating, testing, monitoring, remediation, land  
23                acquisition, legal costs related directly to the site remediation, and disposal  
24                sites. These costs must be actually incurred, incremental "out-of-pocket"  
25                remediation related expenses and must exclude internal costs, such as  
26                internal labor and overhead expenses."

1  
2 The total costs incurred in the ECY of \$953.46 meet the requirements of  
3 the above definition.

4 **12. Q: What type of internal review procedures does Delmarva employ with respect**  
5 **to processing environmental invoices and tracking costs?**

6 A: All environmental cost invoices submitted to Delmarva are reviewed by  
7 the individual who has responsibility for monitoring the environmental activities  
8 at a particular Manufactured Gas Plant site. The reviewed invoices are then  
9 submitted to an Environmental Manager for approval. Invoices for outside legal  
10 services, when incurred, are reviewed and approved by the Legal Department.  
11 Original invoice documents are retained by the approving department.

12 Separate accounting orders have been established to track “out of pocket”  
13 expenses eligible for inclusion in the Gas Environmental Surcharge Rider Rate.  
14 Periodically, both during the ECY and in preparation for the annual filing, a PHI  
15 Service Company Senior Business Analyst extracts computerized accounting  
16 system data which documents charges to the appropriate orders. The charges are  
17 reviewed by the Senior Business Analyst (or the Manager of Utility Operations  
18 Finance in the Senior Business Analyst’s absence) and the Manager of Gas  
19 Operations and Planning. If any of the charges, in their judgment, are not properly  
20 includable as “out of pocket” expenditures then a correction process is initiated  
21 through the involved department. The final ECY report is run by the Senior  
22 Business Analyst, reviewed and compiled for approval by the Manager of Gas  
23 Operations and Planning as source information for Schedule KMM-2. Printed  
24 copies of the included invoices are held by the Senior Business Analyst and are

1 available for review. This year, all invoices and backup materials were  
2 electronically submitted to Commission Staff and DPA for review on August 10,  
3 2015. As of the date of this filing, Delmarva has not received the results of the  
4 Commission Staff and DPA's annual audit.

5 **13. Q: Please explain in detail your calculations on Schedules KMM-2 and KMM-3.**

6 A: As stated earlier, Schedule KMM-2 includes costs incurred during the  
7 ECY of June 1, 2014 through May 31, 2015 in the amount of \$953.46.

8 Schedule KMM-3 outlines the recovery schedule of the applicable environmental  
9 costs, and demonstrates the amortization of the costs over five years while  
10 subtracting out the deferred tax benefit on behalf of the customers. As illustrated  
11 on Schedule KMM-3, amortizing the current costs over five years, offset by the  
12 deferred tax benefit to customers, yields the recovery amount of \$871.43.

13 The surcharge, as approved by the Commission in Docket No. 04-53, was  
14 established to share costs between customers and shareholders. This is  
15 accomplished by amortizing the expenses in the ECY over a five year period with  
16 customers being responsible for the net annual amortized costs and the  
17 shareholders responsible for the carrying costs (interest) on the unamortized cost  
18 balances. Customers also receive the benefits of the deferred taxes associated  
19 with the unamortized remediation cost balances. Interest expense is not included  
20 in the unamortized balances.

21 **14. Q: Please explain how the Environmental Surcharge Rider Rate is calculated.**

22 A: There are several time periods and factors used to calculate the  
23 Environmental Surcharge Rider Rate. The definitions of those factors and time



1 periods are contained in Gas Tariff Leaf Nos. 79 and 80. The ECY was defined  
2 earlier in this testimony. Other definitions include:

3 **Recovery Year**

4 The Recovery Year, as defined in Gas Tariff Leaf No. 80, is “each  
5 November 1 through October 31 and is the time period in which the annually  
6 calculated environmental rider rate will be billed to firm customers.” For  
7 purposes of this filing, the Recovery Year will begin November 1, 2015 when  
8 rates are proposed to go into effect, and will end on October 31, 2016.

9 **Reconciliation Factor**

10 The Reconciliation Factor, as defined in Gas Tariff Leaf No. 80, “shall be  
11 equal to the over/under collection of the environmental cost rider. Over/under  
12 collection is the accumulated experienced net over or under recovery of the  
13 environmental costs during the twelve-month period ending with the month of  
14 June immediately preceding the beginning of the next Recovery Year.” (Refer to  
15 Schedule KMM-4 for the reconciliation of this year’s activity.)

16 **Amortization Factor**

17 The Amortization Factor, as defined in Gas Tariff Leaf No. 79, is  
18 “recovery of net environmental costs incurred during an ECY will be  
19 accomplished through a five-year amortization, offset by the tax benefit  
20 associated with those environmental costs as defined below. A net annual  
21 amortization amount will be calculated for each of the five years of amortization  
22 scheduled for the ECY. The amortization factor for any year will be comprised of

1 the total net annual amount scheduled for that year.” (See Schedule KMM-5 for  
2 these year-by-year details.)

3 The Environmental Surcharge Rider Rate, as defined in Gas Tariff Leaf  
4 80, “shall be equal to the sum of the amortization and reconciliation factors  
5 divided by projected firm sales over the next recovery period of November 1  
6 through October 31.” The ‘projected firm sales’ are Delmarva’s estimated sales,  
7 by customer classification, for the next recovery year. This estimate is included  
8 in the annual Gas Cost Rate filing each year.

9 **15. Q: Please explain Schedule KMM-4.**

10 A: Schedule KMM-4 calculates the Reconciliation Factor, or the over/under  
11 collection of the Environmental Surcharge Rider Rate, for the period that  
12 preceded the recovery year in this filing. This Schedule compares the projected  
13 collections to the amount actually collected from customers for that period. As  
14 illustrated on Schedule KMM-4, the Reconciliation Factor is an over-collection of  
15 \$8,762.20. This Reconciliation Factor accounts for approximately 3.29% of the  
16 proposed net amount to be recovered (as displayed on Schedule KMM-5).

17 **16. Q: Why does Schedule KMM-4 end with the period June 2015?**

18 A: Schedule KMM-4 is updated through the last month where actual  
19 collection information is available, which at the time this Application was  
20 prepared was June 2015. The period of July 2015 forward will be trued-up in  
21 Delmarva’s next annual ESR to be filed in August 2016.

22  
23

1 **17. Q: Please explain Schedule KMM-5.**

2 **A:** Schedule KMM-5 is a summary of all of the ECY schedule recoveries.  
3 This schedule illustrates a proposed total net recovery of \$266,706.10 for the  
4 Recovery Year beginning November 1, 2015. This net recovery amount includes  
5 an accumulation of the amortizations approved to this date. This includes:  
6 \$2,633.59 for the fifth year amortization factor for the recovery year ending May  
7 2011, plus \$21,489.70 for the fourth year amortization factor for the recovery year  
8 ending May 2012, plus \$81,896.34 for the third amortization year for the recovery  
9 year ending May 2013, plus \$169,290.79 for the second year amortization factor  
10 for the recovery year ending May 2014, plus \$157.88 for the latest ECY of June  
11 2014 through May 2015 (calculated on Schedule KMM-3), and includes the  
12 \$8,762.20 of over-collection through June 2015 as calculated on Schedule KMM-  
13 4. A total of \$774,813.99 in remediation expenses remains uncollected at the  
14 time of this filing. This calculation is reflected on the lower portion of Schedule  
15 KMM-5.

16 **18. Q: Please explain the actual calculation of the rate on Schedule KMM-6.**

17 **A:** The total recovery amount of \$267,506.22, as calculated on Schedule  
18 KMM-6, is grossed up by 0.3% in order to recover the Delaware Public Service  
19 Commission assessment. This is the amount that Delmarva is permitted to collect  
20 from customers. Schedule KMM-6 calculates the new ESR Rate level by  
21 dividing the total recovery by the projected firm sales for the Recovery Year,  
22 20,860,648 MCF, resulting in a rate of \$0.01282 per MCF, or \$0.00128 per CCF.  
23 The current rate is \$0.00122 per CCF. An increase of \$0.00006 per CCF, results

1 in a rate of \$0.00128 per CCF. The net increase will be an increase of  
2 approximately \$0.01 on a customer's typical winter heating bill.

3 **19. Q: How did you develop the firm sales forecast in this filing for the calculation**  
4 **of the ESR?**

5 **A:** The sales forecast used in the calculation of this rate was developed for  
6 Delmarva's annual Gas Cost Rate (GCR) filing for the period November 1, 2015  
7 through October 31, 2016, proposed to become effective November 1, 2015. The  
8 sales forecast is discussed in the testimony of Delmarva's witness Robert W.  
9 Brielmaier, and is found in the Gas Cost Rate filing titled, "Schedule RWB-1  
10 GCR + ESR Sales Forecast 15-16", also included herein with schedules. There  
11 are no Large Volume Service customers except for the Qualified Fuel Cell  
12 Provider (QFCP-RC) which is included on Schedule KMM-6

13 **20. Q: Please identify the customers who are subject to the Environmental**  
14 **Surcharge Rider Rate.**

15 **A:** The Rider is applicable to all firm delivery service customers, including  
16 classifications: Residential Gas Sales Service "RG", General Gas Sales Service  
17 "GG", Medium Volume Gas Sales Service "MVG", Large Volume Gas Sales  
18 Service "LVG", General Volume Firm Transportation "GVFT", Medium Volume  
19 Firm Transportation "MVFT", and Large Volume Firm Transportation "LVFT",  
20 and Large Volume Gas – Qualified fuel Cell Provider Renewable Capable "LVG-  
21 QFCP-RC".

22  
23

1   **21. Q: If approved, how would the proposed rates impact customers compared to**  
2       **the ESR currently in effect?**

3       A:       During the heating season, a typical residential customer who uses  
4       approximately 120 CCF of natural gas during a winter month will see a \$0.01  
5       increase or a 0.003% increase on their overall bill. The increase for commercial  
6       and industrial customers will be minimal.

7   **22. Q: Please explain the Delmarva's expectation of timing of this filing.**

8       A:       Delmarva's Gas Tariff Leaf No. 79 states: "The Company will file with  
9       the Commission a copy of the environmental surcharge rider computation at least  
10      30 days prior to the proposed effective date of November 1." These tariff leafs  
11      were approved by the Commission in Docket No. 04-53. Therefore, with the  
12      filing of this Application on or before August 31, 2015, the requirement to file the  
13      ESR computation at least 30 days prior to the effective date is met. Delmarva  
14      proposes that the new rate will go into effect on November 1, 2015, subject to  
15      refund, after review and approval by the Commission.

16   **23. Q: Does this conclude your testimony?**

17      A:       Yes.

## Schedules

Delmarva Power Light Company  
2015 Annual Gas Environmental Surcharge Filing  
PSC Docket No. 15-\_\_\_

Summary of Environmental Surcharge Rider To-Date

A                      B                      C                      D                      E                      F

Since the Environmental Surcharge Rider was established, the Delaware Public Service Commission has approved (or may approve with this filing) for the recovery by Delmarva Power the following amounts for remediation expenses at the three Wilmington subdivided sites, and the net amounts collected from Customers.

DOCKET NO.:	REMEDATION EXPENSES:	% OF TOTAL:	CUSTOMERS TO PAY:	CUSTOMER BENEFIT*:	PERIODS ENDING:
04-053	\$ 522,988.00	13%	\$ 475,442.33	\$ 47,545.67	May 31, 2003
04-484	\$ 55,751.00	1%	\$ 50,682.68	\$ 5,068.32	May 31, 2004
05-356	\$ 957,588.96	24%	\$ 870,533.01	\$ 87,055.95	May 31, 2005
06-283	\$ 798,811.76	20%	\$ 726,196.11	\$ 72,615.65	May 31, 2006
07-237	\$ 54,679.30	1%	\$ 49,779.84	\$ 4,899.46	May 31, 2007
08-267	\$ 18,913.20	0%	\$ 17,218.50	\$ 1,694.70	May 31, 2008
09-384	\$ 14,584.07	0%	\$ 13,277.28	\$ 1,306.79	May 31, 2009
10-290	\$ 43,732.82	1%	\$ 39,814.21	\$ 3,918.61	May 31, 2010
11-382	\$ 13,167.99	0%	\$ 12,004.15	\$ 1,163.84	May 31, 2011
12-420	\$ 112,416.42	3%	\$ 102,480.62	\$ 9,935.80	May 31, 2012
13-348	\$ 508,777.98	12%	\$ 409,481.68	\$ 99,296.30	May 31, 2013
14-296	\$ 971,862.01	24%	\$ 888,256.63	\$ 83,605.38	May 31, 2014
15-	\$ 953.46	0%	\$ 871.43	\$ 82.03	May 31, 2015
<b>TOTALS:</b>	<b>\$ 4,074,226.97</b>	<b>100%</b>	<b>\$ 3,656,038.47</b>	<b>\$ 418,188.50</b>	

\* The Customer Benefit figures above reflect the dollar savings Customers received from the deferred taxes associated with the unamortized remediation cost balance, but does not reflect the carrying costs (interest) paid by the Company for the unamortized balances, or uncollected accounts. In addition, internal labor costs and associated benefits to manage the clean-up process and prepare this annual filing are not permitted to be included in this Environmental Surcharge Rider filing.

**Schedule of Environmental Expenses incurred  
during Environmental Cost Year (ECY)  
June 1, 2014 through May 31, 2015**

A	B	C	D	E	F	G	H	I
<b>Wilmington Coal Gas Site - North (sold)</b>								
<b>DATE:</b>	<b>VENDOR / REF.:</b>	<b>AMOUNT:</b>	<b>DATE:</b>	<b>VENDOR / REF.:</b>	<b>AMOUNT:</b>			
	none	\$ -	03/28/14	State of Delaware	\$1.47			
			07/18/14	AECOM	\$252.64			
			08/13/14	State of Delaware	\$2.13			
			11/21/14	State of Delaware	\$438.48			
			01/30/15	State of Delaware	\$268.74			
<b>Total North Site:</b>		<b>\$ -</b>	<b>Total South Site:</b>		<b>\$ 953.46</b>			
			<b>Total PWY Site:</b>		<b>\$ -</b>			
			<b>TOTAL ALL SITES:</b>		<b>\$ 953.46</b>			



Delmarva Power Light Company  
2015 Annual Gas Environmental Surcharge Filing  
PSC Docket No. 15-\_\_\_

Cost Recovery Schedule for  
Environmental Cost Year  
June 1, 2014 through May 31, 2015

	A	B	C	D	E	F	G	H
1	Expenses		\$	953.46	1/			
2	Cost of Capital			7.29%	2/			
3	Tax Rate			40.655%				
4	Adjusted Cost of Capital			10.58%				
	<u>Year</u>	<u>Amortization</u>	<u>Unamortized balance</u>	<u>Income Taxes</u>	<u>Deferred Tax Account</u>	<u>Deferred Tax Benefit</u>	<u>Amount To be Recovered</u>	<u>To be recovered during Recovery Year Beginning</u>
5	1	\$ 190.69	\$ 762.77	\$ 77.53	\$ 310.12	\$ 32.81	\$ 157.88	3/ Nov-15
6	2	\$ 190.69	\$ 572.08	\$ 77.53	\$ 232.59	\$ 24.61	\$ 166.08	Nov-16
7	3	\$ 190.69	\$ 381.39	\$ 77.53	\$ 155.06	\$ 16.41	\$ 174.28	Nov-17
8	4	\$ 190.69	\$ 190.68	\$ 77.53	\$ 77.53	\$ 8.20	\$ 182.49	Nov-18
9	5	\$ 190.70	\$ -	\$ 77.53	\$ -	\$ -	\$ 190.70	Nov-19
10								
11	Total	\$ 953.46	\$ -	\$ 387.65	\$ -	\$ 82.03	\$ 871.43	

1/ Costs as shown on Schedule KMM-2

2/ Cost of Capital calculated from the Settlement Agreement in Docket No. 12-546

3/ Amount to be recovered this year in addition to the four prior years previously approved. (Reference Schedule KMM-5)

**Delmarva Power Light Company**  
**2015 Annual Gas Environmental Surcharge Filing**  
**PSC Docket No. 15-\_\_\_\_**

**Schedule of Over/Under Collection**

A	B	C	D	E	F	G	H
		Total	ESR	Rate Charged	Amount	Actual Recovery	(Over)/Under
		Firm Estimated	Rates	Net of	To be Recovered	Net of	Recovery
		Throughput		PSC Assessment	Net of	PSC Assessment	Net of
Year	Month	(mcf)		(mcf)	PSC Assessment	PSC Assessment	PSC Assessment
		1/		3/			
1	2014	1/	July	\$ 0.00591	\$ 4,640.18	\$ 4,106.19	\$ 533.99
2	2014	1/	August	\$ 0.00591	\$ 4,307.54	\$ 4,060.24	\$ 247.30
3	2014	1/	September	\$ 0.00591	\$ 4,589.16	\$ 4,083.55	\$ 505.61
4	2014	1/	October	\$ 0.00591	\$ 5,532.80	\$ 4,702.84	\$ 829.96
5	2014	2/	November	\$ 0.01215	\$ 17,738.85	\$ 14,174.57	\$ 3,564.28
6	2014	2/	December	\$ 0.01215	\$ 28,568.33	\$ 28,769.78	\$ (201.45)
7	2015	2/	January	\$ 0.01215	\$ 39,129.14	\$ 42,856.21	\$ (3,727.07)
8	2015	2/	February	\$ 0.01215	\$ 37,885.10	\$ 42,552.77	\$ (4,667.67)
9	2015	2/	March	\$ 0.01215	\$ 34,811.80	\$ 41,561.02	\$ (6,749.22)
10	2015	2/	April	\$ 0.01215	\$ 22,670.46	\$ 22,935.32	\$ (264.86)
11	2015	2/	May	\$ 0.01215	\$ 13,297.30	\$ 12,457.71	\$ 839.59
12	2015	2/	June	\$ 0.01215	\$ 9,530.80	\$ 9,203.46	\$ 327.34
13	Total	20,046,637		\$	222,701.46	\$ 231,463.66	\$ (8,762.20)

1/ Estimated throughput as shown in the Company's filing approved December 18, 2013 by Commission order No. 8496 in Docket No 13-348

2/ Estimated throughput as shown in the Company's filing approved December 4, 2014 by Commission order No. 8680 in Docket No 14-296

3/ Rate charge is net of PSC Assessment (\$0.00591\* .997 for July 2014 to October 2014 and \$0.01215\* .997 for November 2014 to June 2015)

Dalmarva Power Light Company  
2015 Annual Gas Environmental Surcharge Filing  
PSC Docket No. 16-\_\_\_\_

Schedule of Summary of Environmental Cost Year Recoveries

A	B	C	D	E	F	G	H	I	J	K	L
Recovery Year Beginning	Environmental Cost Year Ending May-03 1/	Environmental Cost Year Ending May-04 2/	Environmental Cost Year Ending May-05 3/	Environmental Cost Year Ending May-06 4/	Environmental Cost Year Ending May-07 5/	Environmental Cost Year Ending May-08 6/	Environmental Cost Year Ending May-09 7/	Environmental Cost Year Ending May-10 8/	Environmental Cost Year Ending May-11 9/	Environmental Cost Year Ending May-12 10/	Environmental Cost Year Ending May-13 11/
1 Nov-03	\$ 95,579.33	\$ 9,122.85	\$ 156,665.41	\$ 130,716.09	\$ 8,976.08	\$ 3,104.78	\$ 2,394.10	\$ 7,179.13	\$ 2,168.06	\$ 18,508.98	\$ 83,788.47
2 Nov-04	\$ 95,058.90	\$ 9,926.69	\$ 185,401.01	\$ 137,977.88	\$ 9,466.02	\$ 3,274.23	\$ 2,954.77	\$ 7,502.89	\$ 2,380.43	\$ 19,502.54	\$ 50,235.30
3 Nov-05	\$ 99,843.03	\$ 10,136.54	\$ 174,105.60	\$ 145,359.22	\$ 9,955.97	\$ 3,443.70	\$ 2,935.45	\$ 7,820.84	\$ 2,400.83	\$ 20,498.12	\$ 81,086.34
4 Nov-06	\$ 104,567.80	\$ 10,643.38	\$ 182,812.20	\$ 152,500.79	\$ 10,446.91	\$ 3,613.17	\$ 2,916.83	\$ 8,354.70	\$ 2,517.22	\$ 21,486.70	\$ 91,822.97
5 Nov-07		\$ 11,150.22	\$ 191,517.78	\$ 159,762.35	\$ 10,935.86	\$ 3,762.64		\$ 8,748.56	\$ 2,633.59	\$ 22,483.28	\$ 101,755.60
6 Nov-08											
7 Nov-09											
8 Nov-10											
9 Nov-11											
10 Nov-12											
11 Nov-13											
12 Nov-14											
13 Nov-15											
14 Nov-16											
15 Nov-17											
16 Nov-18											
17 Nov-19											
18 Total	\$ 475,442.93	\$ 50,882.88	\$ 270,593.01	\$ 726,198.11	\$ 48,778.84	\$ 17,218.50	\$ 13,277.28	\$ 39,814.21	\$ 12,004.15	\$ 102,480.60	\$ 409,481.68

M	N	O	P	Q	R
Recovery Year Beginning	Environmental Cost Year Ending May-14 12/	Environmental Cost Year Ending May-15 13/	Subtotal To Be Recovered Nov '15 - Oct '16 Recovery Year	Total To Be Recovered Nov '15 - Oct '16 Recovery Year	(Over)/Under Recovery as % of Total
1 Nov-03					
2 Nov-04					
3 Nov-05					
4 Nov-06					
5 Nov-07					
6 Nov-08					
7 Nov-09					
8 Nov-10					
9 Nov-11					
10 Nov-12					
11 Nov-13	\$ 160,930.25				
12 Nov-14	\$ 160,290.79	\$ 157.89	\$ 275,468.30	\$ 266,706.10	-3.25%
13 Nov-15	\$ 177,951.32	\$ 168.03			
14 Nov-16	\$ 186,011.86	\$ 174.28			
15 Nov-17	\$ 184,372.41	\$ 182.46			
16 Nov-18		\$ 190.70			
17 Nov-19		\$ 871.43			
18 Total	\$ 688,256.63	\$ 871.43			

1/ Environmental Cost Year Recovery as shown in the Company's filing approved April 20, 2004 by Commission Order No. 8401 in Docket No. 04-53  
2/ Environmental Cost Year Recovery as shown in the Company's filing approved May 24, 2005 by Commission Order No. 8626 in Docket No. 04-534  
3/ Environmental Cost Year Recovery as shown in the Company's filing approved April 22, 2007 by Commission Order No. 8828 in Docket No. 06-284  
4/ Environmental Cost Year Recovery as shown in the Company's filing approved June 17, 2008 by Commission Order No. 7416 in Docket No. 06-283  
5/ Environmental Cost Year Recovery as shown in the Company's filing approved June 17, 2008 by Commission Order No. 7407 in Docket No. 07-237  
6/ Environmental Cost Year Recovery as shown in the Company's filing approved May 19, 2009 by Commission Order No. 7565 in Docket No. 08-287  
7/ Environmental Cost Year Recovery as shown in the Company's filing approved December 22, 2009 by Commission Order No. 7715 in Docket No. 09-334  
8/ Environmental Cost Year Recovery as shown in the Company's filing approved October 19, 2010 by Commission Order No. 7853 in Docket No. 10-250  
9/ Environmental Cost Year Recovery as shown in the Company's filing approved November 11, 2011 by Commission Order No. 8041 in Docket No. 11-382  
10/ Environmental Cost Year Recovery as shown in the Company's filing approved November 15, 2012 by Commission Order No. 8246 in Docket No. 12-420  
11/ Environmental Cost Year Recovery as shown in the Company's filing approved December 18, 2013 by Commission Order No. 8406 in Docket No. 13-346  
12/ Environmental Cost Year Recovery as shown in the Company's filing approved December 4, 2014 by Commission Order No. 8680 in Docket No. 14-326  
13/ Reference Schedule KMM-1  
14/ Reference Schedule KMM-4

Balances to be collected in future periods above.	
	Actual:
19 Nov-16	\$ 282,126.65
20 Nov-17	\$ 287,941.74
21 Nov-18	\$ 194,584.90
22 Nov-19	\$ 183,101.00
23 Total	\$ 774,833.99

Delmarva Power Light Company  
2015 Annual Gas Environmental Surcharge Filing  
PSC Docket No. 15-\_\_\_\_

Schedule KMM-6

Environmental Surcharge Rider Rate Calculation

A                      B                      C                      D                      E                      F                      G                      H                      I                      J                      K

Projected Sales in mcf

Month	Residential Service	General Service	Medium Volume Service	LVG-QFCP-RC Volume Service	Total Firm Sales	Firm Transportation	Total Firm Throughput	Recovery at \$ 0.01282	Recovery Net of PSC Assessment	PSC Assessment
Nov-15	485,384	263,750	12,657	141,735	903,526	557,192	1,460,718	\$ 18,731.50	\$ 18,675.47	\$ 56.03
Dec-15	1,095,546	506,029	24,120	146,502	1,772,197	539,250	2,311,447	\$ 29,640.81	\$ 29,552.15	\$ 88.66
Jan-16	1,643,160	761,139	40,156	146,047	2,590,502	785,774	3,376,276	\$ 43,295.63	\$ 43,166.13	\$ 129.50
Feb-16	1,649,283	730,390	34,571	136,624	2,550,868	771,020	3,321,888	\$ 42,598.18	\$ 42,470.77	\$ 127.41
Mar-16	1,396,203	658,123	30,154	146,047	2,230,527	757,566	2,988,093	\$ 38,317.77	\$ 38,203.16	\$ 114.61
Apr-16	876,427	425,066	24,499	141,336	1,467,328	535,379	2,002,707	\$ 25,681.68	\$ 25,604.87	\$ 76.81
May-16	423,902	233,087	11,989	146,047	815,025	440,731	1,255,756	\$ 16,103.17	\$ 16,055.00	\$ 48.17
Jun-16	229,990	144,136	6,928	141,336	522,390	342,884	865,274	\$ 11,095.83	\$ 11,062.64	\$ 33.19
Jul-16	144,442	117,051	4,660	146,047	412,200	378,756	790,956	\$ 10,142.81	\$ 10,112.48	\$ 30.34
Aug-16	119,994	101,167	3,812	146,047	371,020	383,860	754,880	\$ 9,680.19	\$ 9,651.24	\$ 28.95
Sep-16	140,068	119,156	4,469	141,336	405,029	377,373	782,402	\$ 10,033.12	\$ 10,003.11	\$ 30.01
Oct-16	218,154	152,681	5,077	146,047	521,959	428,292	950,251	\$ 12,185.53	\$ 12,149.08	\$ 36.45
<b>Totals</b>	<b>8,422,553</b>	<b>4,211,775</b>	<b>203,092</b>	<b>1,725,151</b>	<b>14,562,571</b>	<b>6,298,077</b>	<b>20,860,648</b>	<b>\$ 267,506.22</b>	<b>\$ 266,706.10</b>	<b>\$ 800.12</b>
	118,648	Residential Customers as of July 2015								
	71	Average annual usage (MCF)								
	\$ 0.91	Average annual ESR cost (current rate of \$0.01282)								

Rate Calculation:

Subtotal to be Recovered (Nov. 1, 2015 to Oct. 31, 2016 - Sched. KMM-5)                      \$ 266,706.10  
PSC Assessment added at:                      0.30%  
**Total Recovery including PSC Assessment**                      **\$ 267,506.22**  
Firm Throughput (mcf)                      20,860,648  
Proposed Rate per mcf                      \$ 0.01282  
Rate Currently in Effect per ccf                      \$ 0.00128  
**Typical monthly heating bill impact on 120 ccf residential customer**                      \$ 0.01

1/ The Sales Forecast is from the Company's GCR filing submitted on August 27, 2015 from Schedule RWB-1 Adjusted as follows:  
Schedule RWB-1 (page 2 of 3)                      19,135,701  
Less: Gas Lighting                      (204)  
Plus: LVG-QFCP-RC                      1,725,151  
(MCF)                      20,860,648

KMM-6

# Delmarva Power Light Company

## 2015 - 2016 GCR + ESR Period Gas Sales Budget

all in mcf							Firm Bundled Sales			
	RES	RSH	GL	GG	MVG	LVG	Total			
Aug-15	8,589	102,037	17	101,214	5,226	-	217,083			
Sep-15	9,531	101,998	17	106,977	5,175	-	223,698			
Oct-15	10,335	185,329	17	149,842	7,700	-	353,223			
Total	28,455	389,364	50	358,033	18,101	-	794,003			
Nov-15	16,798	468,586	17	263,750	12,657	-	761,808			
Dec-15	31,655	1,063,891	17	506,029	24,120	-	1,625,712			
Jan-16	44,263	1,598,897	17	761,139	40,156	-	2,444,472			
Feb-16	42,467	1,606,816	17	730,390	34,571	-	2,414,261			
Mar-16	42,651	1,353,552	17	658,123	30,154	-	2,084,497			
Apr-16	35,482	840,945	17	425,066	24,499	-	1,326,009			
May-16	17,499	406,403	17	233,087	11,989	-	668,995			
Jun-16	11,926	218,064	17	144,136	6,928	-	381,071			
Jul-16	9,261	135,181	17	117,051	4,660	-	266,170			
Aug-16	7,930	112,064	17	101,167	3,812	-	224,990			
Sep-16	8,459	131,609	17	119,156	4,469	-	263,710			
Oct-16	10,850	207,304	17	152,681	5,077	-	375,929			
Total	279,241	8,143,312	204	4,211,775	203,092	-	12,837,624			
Comparison to August 2014 GCR & ESR forecast for 14-15 GCR period:										
Total	251,386	7,598,883	204	3,964,541	220,911	-	12,035,925			
Change	27,855	544,429	-	247,234	(17,819)	-	801,699			
%Change	10.0%	6.7%	0.0%	5.9%	-8.8%	0.0%	6.2%			



# Delmarva Power Light Company

## 2015 - 2016 GCR + ESR Period Gas Sales Budget

all in mcf	Firm Transportation			Firm Throughput
	GVFT	MVFT	LVFT	Total
Aug-15	30,318	66,761	290,485	387,564
Sep-15	33,287	70,294	289,998	393,579
Oct-15	49,818	88,618	305,275	443,711
Total	113,423	225,673	885,758	1,224,854
Aug-15				604,647
Sep-15				617,277
Oct-15				796,934
Total				2,018,857
Nov-15	82,604	127,415	347,173	557,192
Dec-15	82,494	127,176	329,580	539,250
Jan-16	132,229	178,358	475,187	785,774
Feb-16	140,471	176,496	454,053	771,020
Mar-16	106,915	150,274	500,377	757,566
Apr-16	58,317	106,070	370,992	535,379
May-16	35,391	88,617	316,723	440,731
Jun-16	27,371	72,156	243,357	342,884
Jul-16	25,148	71,355	282,253	378,756
Aug-16	25,658	67,834	290,368	383,860
Sep-16	27,283	73,301	276,789	377,373
Oct-16	50,422	87,109	290,761	428,292
Total	794,303	1,326,161	4,177,613	6,298,077
				19,135,701

Comparison to August 2014 GCR & ESR forecast for 14-15 GCR period:

Total	825,464	1,329,634	4,035,136	6,190,234	18,226,159
Change	(31,161)	(3,473)	142,477	107,843	909,542
%Change	-3.9%	-0.3%	3.4%	1.7%	4.8%

# Delmarva Power Light Company

## 2015 - 2016 GCR + ESR Period Gas Sales Budget

all in mcf	Interruptible Transportation				Total IT+ FPS	Total Transportation	Total Delivery Sales
	MVIT	LVIT	Total IT	FPS			
Aug-15	16,575	23,689	40,264	-	40,264	427,828	644,911
Sep-15	15,783	22,709	38,492	-	38,492	432,071	655,769
Oct-15	20,682	29,640	50,322	-	50,322	494,033	847,256
Total	53,040	76,038	129,078	-	129,078	1,353,932	2,147,935
Nov-15	25,782	30,601	56,383	-	56,383	613,575	1,375,383
Dec-15	16,919	27,078	43,997	-	43,997	583,247	2,208,959
Jan-16	12,865	34,998	47,863	-	47,863	833,637	3,278,109
Feb-16	8,381	26,701	35,082	-	35,082	806,102	3,220,363
Mar-16	15,928	48,772	64,700	-	64,700	822,266	2,906,763
Apr-16	20,856	12,650	33,506	-	33,506	568,885	1,894,894
May-16	17,294	10,303	27,597	-	27,597	468,328	1,137,323
Jun-16	16,506	21,769	38,275	-	38,275	381,159	762,230
Jul-16	18,887	21,616	40,503	-	40,503	419,259	685,429
Aug-16	22,156	20,889	43,045	-	43,045	426,905	651,895
Sep-16	21,172	9,464	30,636	-	30,636	408,009	671,719
Oct-16	27,255	15,411	42,666	-	42,666	470,958	846,887
Total	224,001	280,252	504,253	-	504,253	6,802,330	19,639,954

Comparison to August 2014 GCR & ESR forecast for 14-15 GCR period:

Total	224,488	338,474	562,962	-	562,962	6,753,196	18,789,121
Change	(487)	(58,222)	(58,709)	-	(58,709)	49,134	850,833
%Change	-0.2%	-20.8%	-11.6%	-	-11.6%	0.7%	4.3%